PRESS RELEASE

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Operating performance improved by 13.7% while economic conditions remain tough

I. FINANCIAL Highlights FOR THE BCR GROUP[1]:

Good operating performance backed up by continued revenue generation and improved cost control
Operating result increased by 13.7% (or RON 91.9 million) on Q1 2009 to **RON 763.0 million** (EUR 184.4 million) based on continued revenue generation and improved cost control. The improvement was mainly driven by the **operating income growth** (up by RON 58.2 million or 5.2% YOY) combined with an **operating expenses decrease** (down by RON 33.8 million or 7.7% YOY) in the context of RON appreciation (1.9% average rate appreciation against EUR) and still high inflation rate. **Net profit after taxes and minority interests** amounted at **RON 243.0 million** (EUR 58.7 million) down by around 26.4% on Q1 2009 mainly on much higher provision expense due the contracting economy heavily impacting the market and BCR's customers.

Improved efficiency and risk management in a very challenging economic environment
Cost-income ratio (CIR) improved to **34.6%** from 39.5% in Q1 2009. **Return on equity** (**ROE)** went down to **14.5%** in line with expectations as the economic conditions remain tough. NPLs formation slowed down in Q1 2010, with the improvement in the retail market balanced by an increase on the SME segment and micro-banking – the NPL coverage ratio stays comfortably at 125% (collateral and provisions). The NPL development caused **Risk costs** of RON 456.4 million higher on Q1 2009 but declining compared to the third and fourth quarters of 2009.

Business continued to grow above the market in a weaker economy
BCR broadly maintained its market share driven by corporate loan growth. Retail lending was slowed by the sharp decrease in the eligible loan demand. The bank has a strong position in liquidity and its capital base remains much above regulatory requirements.

"*We were successful in positively managing programs to improve the operating result and at the same time investing to improve the way we serve and help our clients. Despite a nearly 14% improvement in the operating result over Q1 2009, this was not sufficient to outweigh the growth in risk costs arising from the adverse economic conditions. It is worth to emphasize the risk costs decline quarter-on-quarter showing a positive development. We continue to be focused on helping as many of our customers as possible through these difficult times*" stated Dominic Bruynseels, BCR CEO.

II. BUSINESS PERFORMANCE OVERVIEW FOR THE BCR GROUP

In Q1 2010 BCR Group's **operating profit** increased by 13.7% from RON 671.1 million (EUR 159.1 million) to **RON 763.0 million** (EUR 184.4 million), as a result of a good operating income growth combined with efficient cost control.

[1] All the below stated financial data are un-audited, consolidated business results of Banca Comerciala Romana (BCR) Group as of 31 March 2010 according to IFRS. Unless otherwise stated, for the income statement the Q1 2010 figures are compared to the Q1 2009 figures, while the figures in the balance sheet at 31 March 2010 are compared to the figures at 31 December 2009. Also, if not stated otherwise, foreign exchange rates used for conversion of figures into EURO are the ones provided by the European Central Bank. The income statement is converted using the average exchange rate for Q1 2010 of 4.1383 RON/EUR (Q1 2009: 4.2181 RON/EUR). The balance sheet is converted using the closing exchange rate as at 31 March 2010: 4.0970 RON/EUR (31 December 2009: 4.1045 RON/EUR). All the percentage changes refer to RON figures.

The **operating income** went up by **5.2%** from RON 1,109.2 million (EUR 263.0 million) to **RON 1,167.4 million** (EUR 282.1 million) driven by BCR Group's strong increase in **net interest income** (up by 10.3% or RON 90.8 million) to **RON 972 million** (EUR 234.9 million) albeit pressured by decreasing interest rates and lower volumes on Q1 2009.

The **net fee and commission income** declined by 11.8% YOY reflecting still low consumer expenditure coincident with BCR's strategy aiming to encourage clients to move to more convenient and cheaper non-cash transactions.

Operating expenses dropped by 7.7% from RON 438.1 million (EUR 103.9 million) to **RON 404.3 million** (EUR 97.7 million), as a result of an improved cost management based on implementing dedicated efficiency programs and actions in the context of a still high inflation rate impacting administrative expenses. BCR continued to invest in "good costs" adding value to the customers such as retail branch network expansion (+20 new branches YOY), alternative distribution channels and cards business development as well as in IT development.

Pre Tax profit decreased by 26.5% to **RON 291.0 million** (EUR 70.3 million) on mainly higher provision expense which is due the contracting economy heavily impacting BCR's customers. The **consolidated net profit after taxes and minority interests** amounted to **RON 243.0 million** (EUR 58.7 million), 26.4% down on Q1 2009.

Risk costs

BCR adjusted risk provisioning appropriately to the still difficult economic environment.
NPL formation has slowed down in Q1 2010 on lower interest rates, stabilizing local currency and on reduced unsecured retail lending provisions. The net charge with **risk provisions for loans and advances** totaled RON 456.4 million (EUR 110.3 million) in line with expectations as SME especially experienced cash-flow and liquidity constraints. This net charge amount is showing a positive development of risk costs as it declined compared to the third and fourth quarters of 2009 even it is higher on Q1 2009.
The loan portfolio developed relatively well, given the circumstances – NPLs remain manageable, weighting 13.9% of the customer loan portfolio (drawn loans to customers) from 13.1% at YE 2009.
BCR Group is enjoying a comfortable NPL coverage ratio of approx. 125% (collateral and provisions).

BCR continued to focus on finding the appropriate long-term solutions for re-organizing and restructuring overdue loans thus proactively supporting its customers in both the Retail and Corporate segments to cope with the difficult market conditions. The bank is striving to timely know its customers' needs in order to help them in adjusting their funding strategies and budget administration so to prevent defaults. At the same time BCR has a prudent approach in lending adapted to the current operating climate.

Solvency ratios remain comfortably above the required levels. Tier 1+2 capital ratio as of Q1 2010: approx. **12.5**% RAS ratio (preliminary figure) against min 10.00% according to the current requirements of the National Bank of Romania and approx. **15.8**% IFRS consolidated (YE 2009). Solvency ratio considerably improved in Q1 2010 clearly showing the BCR's strength and the continuing support of Erste Group.

III. BUSINESS ACTIVITIES BRIEF (bank only – unconsolidated, IFRS)

Q1 2010 results prove the viability of BCR's business model and bank's capacity to develop a sound and sustainable business even in a troubled economic environment.

Total assets of the bank remained relatively stable – there was just a slight decrease from RON 64,531.5 million (EUR 15,232.9 million) as at 31 December 2009 to **RON 62,969.2 million** (EUR 15,369.6 million).

Q1 2010 saw an overall loan portfolio evolution in line with expectations. The volume of aggregate loans to customers portfolio (before provisions, IFRS) slightly went down by 1.2% YOY to RON 45,968.1 million (EUR 11,219.9 million) from RON 46,529.7 million (EUR 10,983.6 million) at Q1 2009 and maintains well balanced by customer segment and industry.

Corporate lending remained stable YOY supported by working capital needs of the companies and by financing demand of local administration, BCR maintaining its dominant position on municipalities financing segment (over 70% market share).

Retail loan portfolio (including micro businesses) slightly declined by around 2.4% YOY impacted by a low eligible demand and tighter risk management. Secured lending (mortgage and secured consumer loans) continued to grow moderately driven by Prima Casa program balanced by the decline of unsecured lending. The positive impact of "Prima Casa" program is expected to continue despite the late start of the 2010 phase, as BCR is the most active bank in the program - BCR granted Prima Casa loans totaling over EUR 315 million of which EUR 136 million drawn in 2010 - benefiting from good liquidity, excellent distribution capacity and attractive cost offer. Loans to micros slightly went up on improved offer and redesigned approach on customer relationship.

The share of loans in domestic currency in BCR's portfolio – around 42.5% of total loans – is showing a balanced structure. FX loan portfolio is EUR (55.2%) and USD (2.3%) denominated.

Corporate Loan portfolio is weighting 52.1% in the total customer loans while Retail Loans (including micro businesses) is 47.9%. Around 68% of the total loan portfolio is in secured products and 32% in unsecured.

Deposits from customers decreased YOY by 4.0% to **RON 34,395.7 million** (EUR 8,395.3 million) from RON 35,824.9 million (EUR 8,456.6 million) as at 31 March 2009, mainly due contracting retail resources but the decrease is offset by selling other retail products like BpL's saving-lending ones, investment products, pension schemes. The bank maintains its No 1 position in the market on primary deposits. Customer deposits are the main BCR funding source and the bank is also enjoying a strong support from the parent bank. In the same time BCR focuses on diversifying and lengthening its funding base (i.e. via its MTN program and a smart pricing policy encouraging long term savings).

BCR continued to extend its **branch network** in Q1 2010 concurrently developing **the alternative distribution channels** based on a strategy meant to encourage customers to move to more convenient and cheaper non-cash transactions. BCR opened 4 new branches in Q1 2010 in selected locations, reaching to a retail network of **665** outlets as of end-March 2010 (+20 new retail branches YOY). BCR also successfully enhanced its Internet and Phone Banking functionalities, continued to develop the cards business and extended the range of services at ATMs as well. There is a constant migration of transactions to online banking (almost 875,000 transactions in Q12010, up 24% on Q4 2009) on continuously upgraded BCR offer and a high growth of alternative channels users (+32% y/y). BCR consolidated its leading position in Internet banking, being awarded recently for highest number of customers enrolled in 2009.

BCR also continued to expand its **ATM** network up to **2,188** units by adding 45 new machines in Q1 2010 (16% YOY increase) while improving ATMs availability and its **POS** network to **17,504** units operational at the merchants (9% YOY increase).

BCR is consolidating its leading position on the debit and credit card market - BCR was recently awarded "Bank of the Year 2009" in Romanian cards industry - in both number and volume of transactions with a permanent focus on innovation of products and services. **The transactions with BCR cards** made on POS for merchant sales went up by 34% in number and by 26% in volume while cash transactions with BCR cards on ATMs decreased by just 2% in number but by 28% in volume as a result of BCR's special campaigns promoting electronic payments. In the same time, **BCR's POS and ATM network** also saw an increase of cards transactions (irrespective of the card issuer) – transactions on POS rose by 62% in number and by 12% in volume while on BCR's ATMs the total number of cash transactions went up by 11% and the volumes went up by 3%.

IV. Exchange rate development (the official exchange rates of the European Central Bank)

	Rate at the end of the period			Average rate		
	31 Mar-10	**31 Dec-09**	**% change**	**Q1 2010**	**Q1 2009**	**% change**
RON/EUR	4.0970	4.1045	-0.2%	4.1383	4.2181	-1.9%
Positive change = devaluation against EUR, negative change = appreciation against EUR						

Enquiries to:
BCR, Communications Division
5 Regina Elisabeta Blvd, Bucharest, Fax: +4021 313 0117, Phone: +4021 312 0056
Corneliu Cojocaru, e-mail: cornel.cojocaru@bcr.ro
Ionut Stanimir, e-mail: ionut.stanimir@bcr.ro
This text is also available on our website at **http://www.bcr.ro/press**

Appendix

I. BCR GROUP CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (IFRS, unaudited)

- amounts in RON million

	Q1 2010	Q1 2009	% change
Interest and similar income	1,840.5	2,361.8	-22.1%
Interest and similar expenses	(868.5)	(1,480.6)	-41.3%
Net interest income	**972.0**	**881.2**	10.3%
- Risk provisions for loans and advances	(456.4)	(308.0)	48.2%
Fee and commission income	216.2	225.7	-4.2%
Fee and commission expenses	(58.4)	(46.8)	24.8%
Net commission income	**157.8**	**178.9**	-11.8%
Net trading result	37.6	49.0	-23.4%
Personnel expenses	(199.0)	(251.9)	-21.0%
Other administrative expenses	(161.6)	(144.6)	11.8%
Depreciation on fixed assets	(43.8)	(41.6)	5.3%
Other operating results	(48.2)	(20.8)	>100%
Result from financial assets - at fair value through profit or loss	8.1	16.8	-51.9%
Result from financial assets - available for sale	24.5	36.8	-33.5%
Pre-tax profit	**291.0**	**395.9**	-26.5%
Taxes on income	**(47.9)**	**(66.8)**	-28.3%
Net Profit Before Minority Interests (Continued Operations)	**243.1**	**329.1**	-26.1%
Profit From Discontinued Operations Net Of Tax	**0**	**0**	0.0%
Minority interests	(0.1)	1.2	<100%
Net profit after minority interests	**243.0**	**330.3**	-26.4%

II. BCR GROUP CONSOLIDATED BALANCE SHEET AT 31 MARCH 2010 (IFRS, unaudited)

- amounts in RON million

	31-Mar-10	31-Dec-09	% change
ASSETS			
Cash and balances with central banks	9,041.1	9,896.5	-8.6%
Loans and advances to credit institutions	1,930.0	1,893.0	2.0%
Loans and advances to customers	50,512.8	51,160.3	-1.3%
Risk provisions for loans and advances	(3,936.8)	(3,777.4)	4.2%
Trading assets	272.7	401.4	-32.1%
Financial assets - at fair value through profit or loss	74.4	165.5	-55.0%
Financial assets - available for sale	3,193.7	3,063.2	4.3%
Financial assets - held to maturity	2,398.7	2,388.9	0.4%
Intangible fixed assets	416.6	389.2	7.0%
Tangible fixed assets	1,699.2	1,726.6	-1.6%
Tax assets	204.5	206.3	-0.9%
Other assets	2,244.1	1,823.7	23.0%
Assets Held For Sale And Discontinued Operations	76.4	65.5	16.7%
Total assets	**68,127.4**	**69,402.8**	-1.8%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Amounts owed to credit institutions	20,578.6	21,123.5	-2.6%
Amounts owed to customers	34,697.3	35,628.1	-2.6%
Debts evidenced by certificates	522.0	534.7	-2.4%
Trading liabilities	1,382.6	1,756.8	-21.3%
Other provisions	199.2	188.6	5.6%
Tax liabilities	364.4	364.8	-0.1%
Other liabilities	1,542.3	1,298.8	18.8%
Subordinated Liabilities	1,944.3	1,906.1	2.0%
Total equity	**6,896.6**	**6,601.4**	4.5%
Parent shareholders' equity	6,869.8	6,574.6	4.5%
Minority interests	26.9	26.8	0.4%
Total liabilities and equity	**68,127.4**	**69,402.8**	-1.8%